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~ Google Mulling Divorce ~ People Are Talking! ~ The E-PARASITE Act!
~ Internet Ad-Fraud Case ~ NJ Teacher Faces Firing ~ Nook Tablet Soon!
~ Facebook, FTC To Agree ~ Peers Are 'Mostly Kind' ~ Hard Drive Shortage!

~ Zuck Returns to Harvard ~ Mozilla Updates Firefox! ~ Mexican Cartel Hits!

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    - * Senate Net Neutrality Vote! * -
    - * GOP Bid To Overturn Web Rules Fails * -
- * Cyber Weakness Should Deter U.S. Cyber War * -

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->From the Editor's Keyboard           "Saying it like it is!"
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Well, things are relatively quiet around here, for a change. We've resumed our typical fall weather, although we have been experiencing an Indian Summer - sun and warmth. Hard to believe that we had an early snow storm just a couple of weeks ago!

So, while I try to relax from a couple of grueling weeks, from both work and the weather events, let's just move right into this week's issue!

Until next time...

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->A-ONE's Game Console Industry News - The Latest Gaming News!
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## How The Video Games Industry Is Faring

A look at results from selected companies in the video games business:

Oct. 20: Microsoft Corp. says revenue from the Xbox 360 products and services grew 7 percent, led by higher revenue from the Xbox Live service and offset by decreased revenue from video games and fewer consoles sold. Microsoft says video game revenue decreased because the same period a year

ago had strong sales of "Halo Reach." Microsoft says it shipped 2.3 million Xbox 360 consoles during the latest quarter, compared with 2.8 million a year ago.

Oct. 27: Nintendo Co., maker of the Wii game console and DS handheld, reports a larger net loss and reduces its full-year forecast, battered by the strong yen and weak software sales. The company says a price reduction has lifted sales of the 3DS handheld, which offers 3D gaming without special glasses. One title, "The Legend of Zelda: Ocarina of Time 3D," sold more than a million units, but the company acknowledged that the 3DS "has yet to have many hit titles." Wii console sales for the latest six-month period fell to 3.35 million units from 4.97 million units a year ago, while software sales declined to 36.45 million units from 65.21 million a year earlier.

Electronic Arts Inc. takes a hit despite solid results after the video game publisher failed to raise full-year guidance as some had expected. Its quarterly loss expanded from a year ago because of higher costs, but revenue grew. The company says such titles as "FIFA 12," "Madden NFL 12" and "The Sims Social" performed well, while "Battlefield 3" was off to a good start.

Nov. 2: Sony Corp. reports an 8 percent revenue decline in the game business because of a price reduction in the PlayStation 3 console ahead of the holiday season.

THQ Inc., a maker of video games, says it lost more money in the latest quarter than a year ago, as the company spent more on development, marketing and other expenses. But its revenue grew and surpassed expectations. The company's upbeat forecast for the all-important holiday quarter, however, lifted its stock sharply.

Tuesday: Activision Blizzard Inc. raises its full-year outlook on the day its latest "Call of Duty" blockbuster goes on sale. The game is expected to break industry records set by its predecessor a year ago for metrics such as first-day sales and overall dollar sales. The company also says its third-quarter net income nearly tripled thanks to strong demand for its video games.

Take-Two Interactive Software Inc., which develops and sells video games including the top-selling "Grand Theft Auto" and "Red Dead Redemption" series, reports a net loss in the latest quarter. Its revenue fell 56 percent from a year earlier because of a dearth of big product launches.

### Ninja Gaiden 3 Confirmed As A Wii U Launch Title

Although no firm date has been set for the release of the Wii U (or a soft date for that matter), we are relatively confident that it will be due out in 2012. Almost certainly. At least there is a very good chance. But while Nintendo is apparently threatening certain doom to those that leak info on the console, there have been several announcements regarding what titles will be released for the console.

So far the announced properties have all come from third-party developers, and while Nintendo will definitely have a handful of games available at launch, none of the details on those titles have been released as of yet. It also isn't clear if the upcoming announced titles will be available

whenever the Wii U is launched, or if they are simply scheduled for the console eventually.

That has changed, as Ninja Gaiden 3: Razer's Edge has been confirmed as a launch title according to a report from Andriasang, and it is only the fifth title to officially be listed for the Wii U in 2012. To be fair, many of the games announced will likely be available whenever the Wii U is released, but this is the first game that has been confirmed to be available at launch.

Ninja Gaiden 3 will be released for the PS3 and Xbox 360 on February 4, minus the subtitle 'Razer's Edge.' The addition to the title for the Wii U may suggest that the version Team Ninja are preparing for Nintendo's console has some significant alterations to accommodate the more powerful system and the tablet-like controller.

We'll have to keep waiting for more info on the Wii U, but more and more titles for the system should be announced in the coming months.

Halo To Release The Six Original Halo CE Multiplayer Maps as DLC for Reach

It is a good time to be a Halo fan. Next week marks the 10-year anniversary of the release of Halo: Combat Evolved on the original Xbox, and to commemorate the event, Microsoft has two offerings for its fans.

The first is the remastered, anniversary edition of Halo: CE, featuring all new HD graphics, online connectivity for the six slightly reimagined competitive multiplayer maps and one new Firefight map, Kinect voice integration, plus a few other Easter Eggs and surprises. The game will also feature online co-op, new plot elements, 1,000 achievement points and 3D support. For fans of the game, the \$39.99 will also allow you to relive the experience using the engine from Halo: Reach.

But if the campaign isn't your thing, and you are a fan of Reach, you can purchase the six remastered maps along with the new Firefight map for \$15 (1,200 MS Points). The maps included as DLC and on the Halo: CE Anniversary Edition disc are: Damnation, Beaver Creek, Prisoner, Timberland, Headlong, Hang 'Em High and the Firefight map, Installation 04.

Those that already own Reach but are planning on purchasing the Anniversary Edition can download the maps off the disc and access them through Reach as well. Halo: Combat Evolved Anniversary Edition hits stores for the Xbox 360 on Tuesday.

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## Cyber Weaknesses Should Deter US from Waging War

America's critical computer networks are so vulnerable to attack that it should deter U.S. leaders from going to war with other nations, a former top U.S. cybersecurity official said Monday.

Richard Clarke, a top adviser to three presidents, joined a number of U.S. military and civilian experts in offering a dire assessment of America's cybersecurity at a conference, saying the country simply can't protect its critical networks.

Clarke said if he was advising the president he would warn against attacking other countries because so many of them - including China, North Korea, Iran and Russia - could retaliate by launching devastating cyberattacks that could destroy power grids, banking networks or transportation systems.

The U.S. military, he said, is entirely dependent on computer systems and could end up in a future conflict in which troops trot out onto a battlefield "and nothing works."

Clarke said a good national security adviser would tell the president that the U.S. might be able to blow up a nuclear plant somewhere, or a terrorist training center somewhere, but a number of countries could strike back with a cyberattack and "the entire us economic system could be crashed in retaliation ... because we can't defend it today."

"I really don't know to what extent the weapon systems that have been developed over the last 10 years have been penetrated, to what extent the chips are compromised, to what extent the code is compromised," Clarke said. "I can't assure you that as you go to war with a cybersecurity-conscious, cybersecurity-capable enemy that any of our stuff is going to work."

Clarke, along with Gen. Keith Alexander, who heads both the National Security Agency and U.S. Cyber Command, told the conference crowd that the U.S. needs to do a better job at eliminating network vulnerabilities and more aggressively seek out malware or viruses in American corporate, military and government systems.

But Clarke was more strident about pushing for broader government regulations to enforce such improvements, despite political reluctance. The problems, he said, will not be fixed unless the government gets more involved.

He added that the U.S. also needs to make it clear to countries such as China that efforts to use computer-based attacks to steal high-tech American data will be punished.

In a forceful and detailed public report last week, U.S. intelligence officials accused China and Russia of systematically stealing sensitive U.S. economic information and technologies for their own national economic gain.

The report called on the U.S. to confront China and Russia in a broad diplomatic push to combat cyberattacks that are on the rise and which represent a "persistent threat to U.S. economic security."

On Monday, Clarke said that until there are real consequences for the

massive espionage, countries like China will still keep stealing.

### Senate Set To Vote on Neutering Net Neutrality

The Senate is likely to vote within days on a measure that would undo net-neutrality rules adopted by the Federal Communications Commission in 2010, even though they've yet to go into effect.

One of the lead sponsors of Senate Journal Resolution 6 (.pdf), Sen. Kay Bailey Hutchison (R-Texas) said "The Internet is not broken and does not need fixing." She said a likely vote was planned for this week.

The measure simply says that Congress "disapproves of the rule" and "such rule shall have no force or effect."

The House passed a similar measure, but Obama has threatened to veto it. It was not immediately clear whether the Senate has the necessary votes for passage.

The brouhaha dates to 2008, when the FCC ordered Comcast to stop interfering with the peer-to-peer service BitTorrent, which can use a lot of bandwidth. That marked the first time the FCC officially tried to enforce fairness rules put in place in 2005 by Republican FCC head Michael Powell. The action came as a response to complaints Comcast was sending forged packets to broadband customers to close their peer-to-peer sessions - a tactic used by the Chinese government to block internet content it doesn't like.

Comcast appealed the decision, and the U.S. Court of Appeals for the District of Columbia Circuit last year vacated the agency's net-neutrality rules.

FCC Chairman Julius Genachowski said the agency was enforcing the net-neutrality Four Freedoms, a set of agency principles dating to 2005 that supposedly guarantee that cable and DSL users have the right to use the devices, services and programs of choice over their wireline connections.

In response to last year's appellate court decision, the FCC formalized the rules again, hoping to put them on stronger legal grounds - though it did not use all of the regulatory tools at its disposal, which left many net neutrality proponents angry that the Obama administration was not living up to campaign promises.

Verizon is already suing the FCC over the rules, which mostly apply to cable and DSL providers, and go into effect Nov. 20.

The rules prohibit companies from unfairly blocking services they don't like and require them to be transparent about how they manage their networks during times of congestion. Mobile carriers like AT&T and Verizon face fewer rules but are banned from interfering with alternate calling services such as Skype.

### Senate Rejects GOP Bid To Overturn Internet Rules

Senate Democrats on Thursday turned back a Republican attempt to repeal federal rules designed to prevent Internet service providers from discriminating against those who send content and other services over their networks.

Republicans argued that "net neutrality" rules announced by the Federal Communications Commission last December were another example of federal regulatory overreach that would stifle Internet investment and innovation.

But Democrats, and the White House in a veto threat, said repealing the FCC rules would imperil openness and freedom on the Internet. "It would be ill-advised to threaten the very foundations of innovation in the Internet economy and the democratic spirit that has made the Internet a force for social progress around the world," the White House said.

The vote to against taking up the bill, along party lines, was 52-46.

The rules, approved 3-2 with the three FCC Democrats in favor and the two Republicans opposed, tried to find a middle ground between phone and cable companies desiring more control over their networks and the content providers wanting unfettered access to the Internet.

The rules bar service providers from favoring or discriminating against Internet content and services, including online calling services such as Skype and Web video services such as Netflix, that could compete with their core operations. They require broadband providers to let subscribers access all legal online content and prohibit wireless carriers from blocking access to any websites or competing services.

The House, where Republicans command a majority, voted last April to repeal the rules, saying the FCC lacked the authority to set Internet policy and that there was no need for the federal government to intervene in an already open Internet. They said the rules would stifle investment in broadband systems.

The rules, said Sen. Kay Bailey Hutchison, R-Texas, are "a stunning reversal from a hands-off approach to the Internet that federal policymakers have taken for more than a decade."

She brought up the resolution under the Congressional Review Act, which allows lawmakers to challenge regulations issued by federal agencies. The rules are scheduled to go into effect on Nov. 20.

The FCC, said Sen. Roger Wicker, R-Miss., "would rule as a de facto police of the open and free Internet."

But Senate Commerce, Science and Transportation Committee Chairman Jay Rockefeller, D-W.Va., said the resolution was misguided. "It will add uncertainty to the economy. It will hinder small businesses dependent on fair broadband access. It will undermine innovation. It will hamper investment in digital commerce."

Without a free Internet he said, "there would be nothing to prevent Internet service providers from charging users a premium in order to guarantee operation in the 'fast lane.'"

The rules give providers flexibility to manage data to deal with network congestion as long as they publicly disclose those practices. They do not specifically ban higher charges for faster transmission of data, but do

outlaw "unreasonable network discrimination."

Sen. John Kerry, D-Mass., said those trying to overturn the rules say they want to "liberate the Internet when, in fact, what they want to do is imprison the Internet within the hands of the most powerful communications entities today to act as the gatekeepers."

Rockefeller and Sen. Al Franken, D-Minn., another backer of the FCC rules, cited a letter to the FCC chairman written before the rules were finalized saying that "a process that results in commonsense baseline rules is critical to ensuring that the Internet remains a key engine of economic growth, innovation and global competitiveness." Among the signees were the CEOs of Google, Inc., Amazon.com, Netflix, Inc., Facebook, YouTube and eBay, Inc.

#### Facebook Nears Privacy Settlement with FTC

A published report says Facebook is nearing a settlement with federal regulators that would require the online hangout to obtain approval from its users before making changes that expose their profiles and activities to a wider audience.

The Wall Street Journal reported Thursday that Facebook has agreed to make the changes to resolve a nearly 2-year-old investigation by the Federal Trade Commission. The Journal cited unnamed people familiar with the situation.

Facebook declined to comment, and FTC officials didn't immediately return calls.

The Journal says that if the settlement is approved by FTC's commissioners, it would require Facebook to get explicit consent from its 800 million users before changing its privacy settings. Facebook would also submit to government reviews of its privacy practices for 20 years.

#### Google Mulls Divorcing Chamber of Commerce

Google is considering ditching the U.S. Chamber of Commerce out of frustration with its support for legislation that would force Internet companies to police websites that peddle pirated movies and fake Viagra.

The rumblings of a defection - a potentially serious blow to one of Washington's most powerful lobbies - come weeks after Yahoo left the Chamber in October, largely over its support of Sen. Patrick Leahy's (D-Vt.) online piracy bill, the PROTECT IP Act.

A source close to Google said the company is 'frustrated' about paying dues to an organization promoting legislation that would 'impose new liabilities' on Google. A second source close to the company confirmed that thinking.

The Consumer Electronics Association, one of the country's largest trade groups, is also weighing whether to part ways with the Chamber over its aggressive campaign for the Senate bill and its companion introduced in



the House last week, the Stop Online Piracy Act, a tech industry source said.

The bills would require search engines and online ad companies to clamp down on websites that illegally peddle copyrighted movies, fake pharmaceuticals and other counterfeit products if served with a court order by the Justice Department.

CEA and some top Google executives have publicly argued that the bills would threaten innovation and encourage censorship of protected speech on the Web.

CEA and Google declined to comment for this story. The Chamber said it does not comment on membership matters.

Many in the tech industry believe the Chamber is doing the bidding of Hollywood and other deep-pocketed members of the content industry. The Chamber believes the IP bills are needed to stop rogue sites from profiting off the content its members spend millions making.

In testimony before Congress, entertainment companies have vilified Google as a facilitator of online piracy.

The Chamber has blasted a series of blog posts touting both pieces of legislation and orchestrated fly-in trips to D.C. for its content and pharmaceutical industry members - including Eli Lilly, NBCUniversal and Rosetta Stone - to canvass the Hill. It also created a website dedicated to its campaign against rogue sites, FightOnlineTheft.com.

That aggressive push, a tech industry source said, was largely what prompted Yahoo to quietly cut ties with the Chamber last month. A Yahoo spokeswoman did not comment on the business lobby's support for the bills, but told POLITICO at the time that it "has memberships with numerous trade associations and belongs to a number of organizations that promote a free and fair marketplace which enable Yahoo! to innovate on behalf of our more than 700 million users."

"As our membership renewal time neared and we reviewed our membership, we decided not to renew," the Yahoo spokeswoman said.

Online piracy isn't the first policy issue that has put the Chamber in hot water with its members. Utility companies including Exelon, Pacific Gas and Electric Co. and PNM Resources, as well as Apple, left the business lobby in 2009 to protest its stance on global warming.

Several CEA member companies are upset over the Chamber's support of the two IP bills and have called on the trade association to reconsider its membership, a tech industry source said.

In particular, CEA members are up in arms over so-called private right of action provisions in the bills that would allow trademark and copyrights holders to seek court orders requiring ad networks and payment processors to cut off business with an allegedly infringing site.

CEA members believe it would trigger a flood of costly lawsuits - which runs counter to the Chamber's huge push for tort reform and opposition to private right of action measures in previous legislation.

"They're really out of left field," an industry source said of the Chamber's support for the private right of action measures.

Google has not taken a formal company position on the pending legislation, but some of the search giant's high-level executives have made their opinions known.

Google's Chief Internet Evangelist Vint Cerf, known as one of the Internet's founding architects, said this week the bills "won't solve the problem" of online piracy and will likely disrupt the architecture of the Web.

And earlier this year, Google Executive Chairman Eric Schmidt and Public Policy Director Bob Boorstin both sounded alarm over parts of Sen. Patrick Leahy's (D-Vt.) PROTECT IP Act earlier this year.

Boorstin even went so far as to say that PROTECT IP "would put the U.S. government in the very position we criticize repressive regimes for doing - all in the name of copyright."

Unlike a version of the IP bill Leahy introduced last session, PROTECT IP forces search engines like Google and Yahoo to block access to copyright infringing websites.

Smith's bill, on the other hand, would require search engines to stop serving up a "direct hypertext link" to the site if served with a court order.

But Google's cash cow is online advertising - a service that's targeted in the legislation.

While both bills would let rights holders seek a court order that would force ad networks to stop serving an alleged illicit site, tech interests say Smith's version goes a step farther by allowing IP owners to make that request to the ad network first. If the ad network doesn't comply, then the rights holder can seek the court order.

NetCoalition, which represents Google and Yahoo, has argued that the provision raises due process concerns. They say it would allow rights holders to strong arm ad networks without a judge weighing in first.

### Just A Few Ways The E-PARASITE Act Could Disfigure The Internet

Regulating the Internet is turning out to be much more difficult than the federal government anticipated. The E-PARASITE legislation, a bill proposed by Congress that was formerly known as the Senate-backed PROTECT IP Act, has been making the rounds and will attempt to punish copyright infringement - as well as toy with its definitions to a harrowing degree. As one law blog put it, "It's as though George Lucas came out with the director's cut of The Phantom Menace, but added in another half-hour of Jar Jar Binks." It's that bad.

Before we tell you what's wrong with it, we should define the bill. The House of Representatives introduces it as an act that will "promote prosperity, creativity, entrepreneurship, and innovation by combating the theft of U.S. property, and for other purposes." Basically, it's an attempt to stop online piracy and give a stronger voice to content that's been infringed upon via the Internet.

On the surface, that sounds almost noble: E-PARASITE wants to give greater powers to copyright holders. But it is the innards of this legislation that are shockingly problematic.

Attempting to apply conventional definitions to the Internet is almost always losing battle. The constantly evolving, hybrid nature of so much of what constitutes the Web makes turning to traditional terms like trying to catch water from a faucet. So of course, there are more than a few problems with how E-PARASITE attempts to define the Internet's evil-doers.

One of the sites that would face severe consequences is YouTube. According to the bill's definition, YouTube infringes on someone else's copyrighted material, and it's possible that the site could find itself virtually hidden from consumers. What's more, lip-syncing to a song and broadcasting it on the Internet could violate E-PARASITE's terms.

And these terms are broad and sweeping, see for yourself:

[A site that is] "Primarily designed or operated for the purpose of, has only limited purpose or use other than, or is marketed by its operator or another acting in concert with that operator for use in, offering goods or services in a manner that engages in, enables, or facilitates" violations of the Copyright Act, Title I of the Digital Millennium Copyright Act, or anti-counterfeiting laws; or, [The site] "Is taking, or has taken, deliberate actions to avoid confirming a high probability of the use of the U.S.-directed site to carry out the acts that constitute a violation" of those laws; or, [The site's owner] "Operates the U.S.-directed site with the object of promoting, or has promoted, its use to carry out acts that constitute a violation" of those laws.

This just opens the door for Internet censorship, and if something like this passes you can expect new Web content to suffer and plenty of lawsuits to fight that. We can think of a number of recent innovations that are likely anxious about the potential passing of the bill (Singboard and Turntable.fm come to mind). And wouldn't any site that hosts a great deal of user-generated content be in trouble? Tumblr, Twitter, and the entire sharing, re-posting, re-tweeting platform would be put on notice.

The Future Music Coalition, which is all-things-anti-piracy, has even come out against the bill. "[The definitions] are seemingly broad and enough to include sites that have perfectly legitimate uses. For example: Some of us here at FMC are musicians and producers. We regularly use services like Dropbox, etc. to send files back-and-forth to collaborators. Under this bill, such services - and those yet to be invented - could be subject to blocking or other penalties."

The way E-PARASITE is currently set up puts law enforcement on its head: Instead of innocent until proven guilty, Websites are guilty until proven innocent. If an Internet domain is suspected of infringing on another's intellectual property, that Website is more or less ostracized from the Internet. Search engines are required to hide the accused sites.

Copyright holders would merely have to allege a site is infringing on their property to shut down business. Hosts and payment services would be required to, more or less, blacklist a site once receiving a notice accusing it of stealing "U.S. property." And then that site and its ad partners would be wiped out until it goes through the court system to establish its legitimacy.

Perhaps the most shocking element of E-PARASITE is that in order to punish

pirating sites, the government would effectively be using a firewall to block them. This heavy-handed censorship is something we've supposedly been lobbying against since the Web's origins, and new light has been shed on the issue internationally within the last year. But it appears we'd be making an exception in this case, and under certain (vaguely defined) conditions, DNS blocking would be acceptable.

Which, in turn, could boost traffic for international search engines and sites. DNS blocks are notoriously easy to get around, and one incredibly simple option is just to start using overseas portals. It gives a lot of power to international markets. And not only to already-in use clients: Innovators could find themselves taking this outside America. In an age when the digital race is constantly changing and the space becomes increasingly crowded, ideas are worth more and more. The E-PARASITE act could have us literally sending them overseas.

Many pundits think that the E-PARASITE bill - or something like it - is going to pass. This Reddit thread is an interesting assessment of how Internet users would adapt. You can join online petitions or contact your congressman to oppose the legislation, but if you take a look at who is supporting the bill (it's largely backed by big business) it seems like this sort of regulation is in our midst.

#### Mexican Cartel May Be Trying To Silence Bloggers

Mexico's hyper-violent Zetas drug cartel appears to be launching what one expert calls a "frontal offensive" against people who post crime reports on an Internet chat room. It's an apparent bid to control information about Mexico's drug war.

Residents of the border city of Nuevo Laredo say a man's decapitated body was found there, laid atop a banner suggesting he had been killed for posting on the web site "Nuevo Laredo en Vivo."

Experts said Thursday users of the site are probably vulnerable to such attacks, and that the Zetas could be tracking them from clues they leave on the web.

If the killing is confirmed to be internet-related it would be the fourth such slaying in the border city in recent months.

#### Feds Charge 7 in Internet Ad-Fraud Case

A crew of Internet bandits devised an international scheme to hijack more than 4 million computers worldwide, manipulating traffic on Netflix, the Internal Revenue Service and other popular websites to generate at least \$14 million in fraudulent advertising revenue, federal prosecutors said Wednesday.

About 500,000 computers in the United States were infected with malware, including those used by ordinary users, educational institutions, nonprofits and government agencies like NASA, U.S. Attorney Preet Bharara said at a Manhattan news conference.

Bharara called the case "the first of its kind" because the suspects set up their own "rogue servers" to secretly reroute Internet traffic to sites where they had a cut of the advertising revenue.

Six of the seven people named in the indictment were Estonians who were in custody in that country, and extradition was being sought, prosecutors said; one Russian remained at large. As part of the takedown, the FBI disabled the rogue servers without interrupting Internet service, authorities said.

The problem was first discovered at NASA, where 130 computers were infected. Investigators followed a digital trail to Eastern Europe, where the defendants operated "companies that masqueraded as legitimate participants in the Internet advertising industry," according to an indictment unsealed on Wednesday.

The defendants "engaged in a massive and sophisticated scheme that infected at least 4 million computers located in over 100 countries with malicious software or malware," the indictment said. "Without the computer users' knowledge or permission, the malware digitally hijacked the infected computers to facilitate the fraud."

Once their computers were infected, people seeking to visit Netflix, the IRS, ESPN, Amazon and other legitimate sites were redirected to sites where the defendants collected income for each click on an ad, authorities said. The malware and corrupted servers also allowed the defendants to substitute legitimate ads on other websites with replacement ads that earned them more illicit income, they added.

"On a massive scale, the defendants gave new meaning to the term 'false advertising,'" Bharara said.

The indictment estimated the defendants "reaped least \$14 million in ill-gotten gains" over a five-year period.

#### Facebook Founder Returns to Harvard To Recruit

Facebook creator Mark Zuckerberg left Harvard University as a dropout with a novel idea. He returned Monday with a triumphant message: He's hiring.

The 27-year-old CEO received a rock-star welcome during his first official visit since he left for California's Silicon Valley in 2004. He made his recruitment pitch to 250 students at Harvard after a similar meeting at the Massachusetts Institute of Technology.

"We're just getting started," he told reporters and a few hundred students who gathered at the Harvard campus to catch a glimpse of the Internet pioneer. "The next five or 10 years are going to be about all the different products and industries that can be rethought."

So many students turned out to see the sweatshirted billionaire outside a university library that campus officials had to set up temporary barriers to separate him from his audience.

Aaron Perez, an 18-year-old freshman from Poughkeepsie, N.Y., said Zuckerberg's creation was one of the reasons he chose to study computer

science. He said he's encouraged to hear that companies are hiring computer programmers in today's struggling economy.

"It's an empowering story, especially these days," said Perez, who risked being tardy to rowing practice to see Zuckerberg. "It makes it seem like I've got a chance."

Harvard computing officials were working on their own university-wide online directory when Zuckerberg created Facebook as a campus-only social network. The then-sophomore told the campus newspaper, The Harvard Crimson, it was silly that the university needed years to create the site.

"I can do it better than they can, and I can do it in a week," he said.

An earlier Zuckerberg creation, Facemash, almost led to his expulsion after he hacked university computers for student photos.

But there were no hurt feelings Monday, as university officials and faculty welcomed Zuckerberg back to campus for the official visit. Zuckerberg has returned to Harvard before on informal recruiting trips.

"There are relatively few tech rock stars whose names are known by people all over the world," said Harvard computer science professor David Malan, who cited Microsoft's Bill Gates and Apple's Steve Jobs as two other examples. "He really is in that category."

Zuckerberg said his company has plans to expand and needs talented workers to do it.

"There's a lot of really smart people here and a lot of them are making decisions about where they're going to work," he said of his decision to recruit in Cambridge.

The company's base of operations moved to Palo Alto, Calif., in June 2004, just months after Facebook began to expand outside of Harvard. By the end of the year, the site would have nearly 1 million users. Facebook says it now has more than 800 million active users around the world and 3,000 employees.

It could someday open an office in the Boston area, Zuckerberg said.

The area's status as a center for technological innovation has improved in the last several years, local entrepreneur Dharmesh Shah said. Shah is chief technology officer and co-founder of HubSpot, a marketing software company, and also runs a blog devoted to technology startups.

Shah created HubSpot while an MIT student and said he considered basing his new company in San Francisco but wanted to stay close to MIT and the area's growing talent pool.

"There's a vibrant ecosystem here," he said. "There's always been this stereotype that startups on the East Coast won't take as much risk as the startups you see on the West Coast, and that held us back. But it's changing. I've never seen it as vibrant as it is right now."

News that Zuckerberg was on campus spread Monday by word of mouth, Twitter and, of course, Facebook. Students held their smartphones aloft to snap photos as he walked through the campus.

Harvard student Madeline Halimi of Brooklyn, N.Y., said Zuckerberg's story is encouraging, but also a little daunting. The freshman student is still deciding her field of concentration.

"What's really weird is wondering whether the person next to you will be the next person to invent something that changes the world," Halimi said.

### Barnes & Noble Takes on Amazon, Apple with Tablet

US bookseller Barnes & Noble unveiled a tablet computer on Monday in a bid to take on Apple's iPad and an upcoming device from digital book-selling rival Amazon.

The Nook Tablet will cost \$249 - \$50 more than the Kindle Fire from Amazon which goes on sale on November 15 but \$250 less than the cheapest iPad.

Amazon and Barnes & Noble were among the first companies to sell electronic book readers and both are now staking a claim to the tablet market which has been dominated by the iPad.

The Nook Tablet will allow users to surf the Web using Wi-Fi connectivity, do email, watch TV shows and movies and listen to music in addition to serving as an e-book reader.

Barnes & Noble's online bookstore offers more than 2.5 million titles.

The Nook Tablet comes with a number of pre-loaded applications including Netflix, Hulu Plus and Pandora.

It has a seven-inch (17.8-centimeter) color screen like the Kindle Fire. The iPad has a 9.7-inch (24.6-cm) screen.

The Nook Tablet has 16 gigabytes of memory and Barnes & Noble said its battery life enables 11.5 hours of reading or nine hours of video viewing.

The device will go on sale in Barnes & Noble's 700 US stores on November 17.

Barnes & Noble also announced Monday it was cutting the price of its cheapest e-reader, the Nook Simple Touch, to \$99. Amazon's cheapest Kindle costs \$79.

Sarah Rotman Epps of technology research firm Forrester gave the Nook Tablet a rave review and said Barnes & Noble could sell 1.5 million to two million of the devices over the holiday season.

"Still, Barnes & Noble is David taking on not one but two Goliaths: B&N's market cap is just \$700 million, compared with \$100 billion for Amazon and \$370 billion for Apple," she said.

Rotman Epps said she expected Amazon to sell up to four million Kindle Fires over the holiday and for Apple to move 20 million iPads in the fourth quarter.

## Mozilla Updates Firefox

The Windows, Mac and Linux versions of Mozilla's popular Firefox web browser have been freshened up with new Twitter search options and better control over third-party add-ons.

There's also a new version of Firefox for Android that gives mobile and tablet users better control over their saved usernames and passwords so no one can access their private details should their device be stolen.

The major new version of Mozilla's browser, Firefox 8, includes the addition of Twitter to the search bar for the first time. Users can quickly and easily search the microblog for anything that is typed in the search.

"Twitter search is currently available in English, Portuguese, Slovenian and Japanese versions of Firefox, with more languages to come in future releases," reveals Mozilla in a November 8 blog post.

Additional features in Firefox 8 include on-demand tab loading when you restore windows with many tabs (a feature that can be toggled on and off in "Preferences"), automatic third-party add-ons disabling and additional support for web standards such as WebGL, CORS and HTML5.

Master Password is the most notable feature in the latest version of Firefox for Android users.

"With Firefox Master Password, you can protect all your saved usernames and passwords. This will help your private info stay private if you ever share or lose your Android device," explains Mozilla.

According to StatCounter, Firefox was the second most used browser in the world in October with a 26 percent market share. Microsoft's IE is first with a 40 percent share and Google's Chrome is gaining ground with 25 percent of the global web browser market.

To coincide with the release of Firefox 8, Amazon announced that it is launching its HTML5-based Kindle Cloud Reader web app for Firefox users, enabling them to read Kindle books in the web browser. Kindle Cloud Reader was previously only available for readers using Chrome and Safari.

## Hard Drive Shortage Could Hurt PC Delivery Early Next Year

PC shipments may be crimped by as much as a fifth in the first three months of 2012, hurt by the shortage of hard disk drives (HDD) after the Thailand floods, said IDC.

The technology research firm, which puts Thailand's share at 40-45 percent of the global HDD production capacity, expects half of that to be hit directly by the floods.

Top HDD makers Seagate Technology and Western Digital have large manufacturing facilities in Thailand.

Since July, floods killed at least 320 people and devastated



industrialized areas at the center of the south Asian country. HDD manufacturers have raised prices by 20-40 percent since then.

"While IDC believes HDD industry participants will recover and restore production capacity relatively quickly, supply will remain constrained for an extended period of time," the research firm said.

Goldman Sachs recently warned that global PC shipments in the December quarter are likely to fall 3 percent, year-over-year, compared with an earlier estimate of a 3.1 percent growth.

"A large part of PC production for fourth quarter shipment has already taken place or can be completed with existing HDD inventories, limiting the impact on PC shipments to less than 10 percent," IDC said.

"But in a worst-case scenario, total PC shipments could be depressed by more than 20 percent in first quarter of 2012."

#### Dell, HP Respond to Secure Boot Issue

A big issue right now in the world of operating systems - especially Linux - is Microsoft's requirement that all Windows 8 machines ship with UEFI's secure boot enabled, with no requirement that OEMs implement it so users can turn it off. This has caused some concern in the Linux world, and considering Microsoft's past and current business practices and the incompetence of OEMs, that's not unwarranted. CNet's Ed Bott decided to pose the issue to OEMs. Dell stated it has plans to include the option to turn secure boot off, while HP was a bit more vague about the issue.

Ed Bott contacted HP and Dell, and while his report is a bit abrasive, the gist of the matter is this. Dell confirmed that they have plans to ship Windows 8 machines with the ability to turn secure boot off in UEFI, while HP had no idea what was going on. BIOS maker AMI, meanwhile, has said it will advise OEMs to not remove the option, but adds that they can't mandate as such.

A Dell spokesperson told Bott that "Dell has plans to make SecureBoot an enable/disable option in BIOS setup". Dell plans to move to UEFI with secure boot in the Windows 8 time frame. Unlike how Bott presents it, 'having plans' is of course far from a definitive promise - but at least it's somewhat reassuring.

HP, sadly, was less clear. "HP will continue to offer its customers a choice of operating systems," HP told Bott, "We are working with industry partners to evaluate the options that will best serve our customers." Nobody at HP was apparently even aware of the issue, which means this is a general PR statement with zero actual value.

Lastly, BIOS maker AMI stated that it "will advise OEMs to provide a default configuration that allows users to enable/disable secure boot, but it remains the choice of the OEM to do (or not do) so". This is entirely reasonable - AMI just provides a software package, it doesn't control what OEMs remove and include.

None of this is the reassuring words Bott makes them out to be. There are no promises, no assurances, nothing. My biggest fear is that like with BIOS today, every computer - even revisions within the same model - will

have its own unique UEFI implementation, some of them broken and/or limited, without any means of telling which features are supported and implemented and which aren't. Heck, I've encountered countless BIOS implementations over the years which only allowed you to change the boot drive order, and nothing else.

All in all, this issue is far from over, and what Bott has presented us with so far is by no means the smoking gun. Considering Microsoft's history of anti-competitive practices, its current patent troll behaviour, and the general incompetence of OEMs, it's entirely reasonable and smart for us geeks to be on our toes.

#### Barnes & Noble Urges U.S. To Probe Microsoft on Patents

Barnes & Noble Inc. asked U.S. regulators to investigate whether Microsoft Corp. seeks to monopolize the mobile-device market by demanding patent royalties on electronics running on Google Inc.'s Android operating system.

"Microsoft is embarking on a campaign of asserting trivial and outmoded patents against manufacturers of Android devices," Barnes & Noble said in an Oct. 17 letter to Gene Kimmelman, the Justice Department's chief counsel for competition policy. "Microsoft is attempting to raise its rivals' costs in order to drive out competition and to deter innovation in mobile devices."

The world's largest software maker accused New York-based Barnes & Noble of infringing five patents and filed a complaint with the U.S. International Trade Commission in Washington, seeking to block imports of the Nook readers. Barnes & Noble made public four letters and a presentation to the Justice Department in a filing with the commission yesterday.

Microsoft, based in Redmond, Washington, contends it owns patented inventions that are used in the Android operating system, and has struck licensing deals with companies including Samsung Electronics Co. and HTC Corp., two of the biggest makers of Android phones.

"All modern operating systems include many patented technologies," Microsoft said in a statement. "Microsoft has taken licenses to patents for Windows and we make our patents available on reasonable terms for other operating systems, like Android. We would be pleased to extend a license to Barnes & Noble."

Barnes & Noble cited as examples Microsoft's participation in a group of companies including Apple Inc. to buy the patents of Novell Inc. and a three-way licensing agreement with Nokia Oyj and Mosaid Technologies Inc.

Those actions were part of a "series of tactics designed by Microsoft to raise its rivals' costs and prevent Android-based devices from taking away sales of Microsoft's Windows operating system," Peter Barbur, of Cravath Swaine & Moore in New York, said in the Oct. 17 letter to Kimmelman.

Without providing figures, Barnes & Noble said Microsoft was demanding the same amount in patent fees that it would charge users of its Windows Phone operating system.

Barnes & Noble has sought to remake itself as a digital- content provider. The company sold \$880 million worth of Nook readers in fiscal 2011, and has forecast sales to double this fiscal year to \$1.8 billion, the company said Aug. 30. That would be 24 percent of the company s revenue.

A trial on Microsoft s patent claims against Barnes & Noble is scheduled for February in Washington. Laura Young, a spokeswoman with Microsoft, said the company had no comment on the Barnes & Noble filing.

The case is In the Matter of Certain Handheld Electronic Computing Devices, 337-769, U.S. International Trade Commission (Washington).

### New Jersey Teacher Could Be Fired for Comments on Facebook

A first-grade teacher in New Jersey who described her students as "future criminals" on Facebook could be fired under a judge's decision issued this week after parents complained her remarks were offensive.

Administrative Law Judge Ellen Bass ruled that the Paterson teacher, Jennifer O'Brien, "demonstrated a complete lack of sensitivity to the world in which her students live" and recommended that she lose her tenured position.

Paterson is a poor, urban New Jersey community with a high rate of violent crime, and school officials interpreted O'Brien's comment as racially tinged, according to court documents.

The case marks the first time in New Jersey that a public school teacher has faced such public scrutiny for social media behavior, according to Allison Kobus, a spokeswoman for the state Department of Education.

It is also the first time a Paterson teacher has been disciplined for social media usage, school officials said.

O'Brien, a teacher in Paterson since 1998, has been on administrative leave since March when she wrote on Facebook: "I'm not a teacher - I'm a warden for future criminals!"

She testified that she wrote the comment after one of her first graders hit her and others stole money from her.

Although the comment was intended for her 333 Facebook friends, it was forwarded to other readers and within days school administrators and parents had seen it and were outraged.

Parents and community activists picketed in front of the school and called for her dismissal at school council meetings. In May, Paterson revised its school board policies to clarify how teachers should conduct themselves online.

Experts say cases such as O'Brien's are more about free speech than about social media such as Facebook, a public forum in which postings can be forwarded and ultimately read by anyone.

Disparaging comments that damage an employer, or in O'Brien's case a

student, without advancing a political issue or cause are not as protected by the first amendment of the U.S. Constitution, experts said.

"The case should be a stern warning that both students and teachers should be careful about the dangers of social media postings," said Paul Callan, a professor of media law at Seton Hall University.

More recently, in October, a high school teacher in Union, New Jersey, evoked the ire of the gay rights community after she posted what critics saw as several anti-gay comments on Facebook. The school district is investigating the case.

In another case, a Florida teacher was fired in July for criticizing New York's gay marriage law on Facebook. He was his district's 2010-2011 Teacher of the Year.

The New Jersey Education Commissioner has 45 days to accept, modify or reject the judge's ruling. O'Brien's lawyer could not be reached for comment, although she has told reporters she planned to appeal the decision.

#### US Teens Say Peers Are 'Mostly Kind' Online

Most US teenagers who use social networking sites say their peers are "mostly kind" to one another online although the vast majority have witnessed mean or cruel behavior, a study said Wednesday.

The study by the Pew Research Center's Internet & American Life Project, the Family Online Safety Institute and Cable in the Classroom takes an in-depth look at the environment and behavior of American teenagers on social networks.

According to the study, 95 percent of US teens aged 12-17 are online and 80 percent of connected teens use social networking sites such as Facebook or Myspace.

Sixty-nine percent of the teenagers who use social networks said they are mostly kind spaces, while 20 percent said their peers are mostly unkind online and 11 percent said "it depends."

Eighty-eight percent said they have witnessed mean or cruel behavior online and 15 percent said they have personally been the target of mean or cruel behavior on social networks in the past 12 months.

Twelve percent said they witnessed cruel behavior on social networking sites "frequently," 29 percent said they encountered it "sometimes" and 47 percent said it was just "once in a while."

"Social networking sites have created new spaces for teens to interact and they witness a mixture of altruism and cruelty on those sites," said the Pew Research Center's Amanda Lenhart.

"For most teens, these are exciting and rewarding spaces," said Lenhart, lead author of the report, "Teens, Kindness and Cruelty on Social Network Sites: How American teens navigate the new world of 'digital citizenship.'"

"But the majority have also seen a darker side," she said. "And for a subset of teens, the world of social media isn't a pretty place because it presents a climate of drama and mean behavior."

Ninety percent of teens said they ignored the mean behavior they witnessed, 80 percent said they personally defended a victim and 21 percent said they personally took part in the harassment of others on a social network site.

Nineteen percent said they have experienced bullying in the past 12 months - either in person, by text message, by phone call or online.

Twelve percent said they were bullied in person, nine percent said they were bullied by text message and eight percent said they were bullied online, either by email, on a social network site or through instant messaging.

While 78 percent of teens said their social media interactions resulted in a positive outcome - such as deepening a friendship - 41 percent reported at least one negative outcome such as an argument, loss of a friendship, problems with their parents or even a physical fight.

Parents are the top source of advice to teens on online issues, according to the study.

Eighty-six percent of online teens said they have received advice from their parents about using the Internet safely and 70 percent said they have received advice from a teacher or another adult at school.

Sixty-one percent of teens said their parents have checked their social network site profile.

Nicky Jackson Colaco, who manages online safety programs at Facebook - the world's largest social network, with more than 800 million members - welcomed the report.

"We believe that educating teens about safety is a responsibility shared by policy makers, safety advocates, parents and services like Facebook," she said.

"Facebook believes in addressing safety, bullying and harassment issues proactively - because building a trusted environment is fundamental to our mission and to ensuring a positive experience for people who use our site."

The survey of 799 teens was conducted April 19-July 14 and has a margin of error of plus or minus five percentage points.

Members of the Family Online Safety Institute include AOL, Comcast, Disney, Facebook, France Telecom, Google, Microsoft, Verizon and Yahoo!

Cable in the Classroom is the the national education foundation of the US cable television industry.

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